DOCUMENT RESUME

ED 356 521 EA 024 584

AUTHOR Watkins, Peter E.
TITLE The Marketing of Education in a Coordinated Decentralised Context: Alfred P. Sloan Revisited.
PUB DATE Nov 92
NOTE 28p.; Paper presented at the Annual Meeting of the Australian Association for Research in Education (Geelong, Victoria, Australia, November 1992).
PUB TYPE Viewpoints (Opinion/Position Papers, Essays, etc.) (120) -- Speeches/Conference Papers (150)

EDRS PRICE MF01/PC02 Plus Postage.
DESCRIPTORS *Decentralization; Educational Change; Elementary Secondary Education; Foreign Countries; Free Enterprise System; *Personal Autonomy; *School Restructuring; *Self Concept; Self Motivation; Social Stratification; *Social Systems; *Social Values
IDENTIFIERS *Scientific Management; Taylor (Frederick Winslow)

ABSTRACT

This paper argues that a useful way of analyzing the current moves to locate education within a decentralized framework of schools competing for educational consumers is to return to the founders of managerialism. In particular, this paper suggests that by returning to the point of production, the "mutilated rationality" (Habermas) of constructing markets and the consumer takes on a wider meaning. An awareness of the work of people like Taylor, Casson, and Sloan will illustrate how scientific management was moved from the shop floor to the corporation and eventually into the construction of the consumer. However, it is suggested that such institutionalized individualism and glorification of the Self is likely to lead to the disintegration of the social fabric. (Contains 33 references.) (Author)

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THE MARKETING of EDUCATION IN A COORDINATED DECENTRALISED CONTEXT: ALFRED P. SLOAN REVISITED

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PETER. E. WATKINS
FACULTY of EDUCATION
DEAKIN UNIVERSITY

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This paper argues that a useful way of analysing the current moves to locate education within a decentralised framework of schools competing for educational consumers is to return to the founders of managerialism. In particular, this paper suggests that by returning to the point of production the 'mutilated rationality' (Habermas) of constructing markets and the consumer takes on a wider meaning. An awareness of the work of people like Taylor, Casson and Sloan will illustrate how scientific management was moved from the shop floor to the corporation and eventually into the construction of the consumer. However, it is suggested that such institutionalised individualism and glorification of the Self is likely to lead to the disintegration of the social fabric.

Paper prepared for the Symposium Session ' Education Marketing and the Politics of 'Public Choice' during the Australian Association for Research in Education Conference, Deakin University (Geelong) November, 1992.

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PETER. E. WATKINS
FACULTY of EDUCATION
DEAKIN UNIVERSITY

INTRODUCTION

A number of recent publications by the Business Council of Australia (Loton 1991, BCA 1991) have strongly advocated that education should follow the recent organisational trends which are evident in the business world. These are that operational units should be decentralised but still firmly controlled by a central coordinating policy and planning structure. In turn the operational units would compete for a share of the market. While it may be argued (Codd 1993) that there is a fundamental conflict between the trend in education towards greater local entrepreneurial decision-making and the trend towards stronger mechanisms of accountability and centralised control, this paper suggests that this may not be the case. Indeed, if there are any contradictions in centralised decentralisation, these were long ago addressed and seemingly dispelled in the management philosophy that Alfred P. Sloan brought to the restructuring of the General Motors Corporation in the 1920s. Consequently, any critique of the move towards the setting up of networks of self-

managing schools marketing themselves within a centralised framework would be well advised to examine the formation of the management philosophy on which the administration of General Motors is based.

In examining the trend to consumerism in education Ball (1990) has tried to analyse it through the work of the economist Hayeck. Kenway (1992), following a different path, has contemplated the links between the creation of educational markets and Post-Modernism. This paper, however, returns to the point of production, linking the creation of markets and the consumer to the scientific managerial innovations of Taylor and Sloan at the General Motors Corporation.

CO-ORDINATED DECENTRALISATION

Alfred P. Sloan became president of the General Motors Corporation in 1920 after the du Pont family, who had the controlling interest in General Motors, became convinced that Sloan's plans to reorganize the company would rescue it from the disastrous situation in which the autocratic approach of his predecessor had put it.

Sloan went on to outline his approach to management in the classic management volume My Years with General Motors (1964). In this text he argues that through his managerial strategy the apparently contradictory notions of decentralisation and centralisation have been reconciled by means of "decentralization with coordinated control". Through this process Sloan claims that apparently conflicting elements in an organisation can be brought together. Decentralisation can give the organisation greater flexibility, more responsibility for the tough decisions at the local level and greater scope for entrepreneurial initiative on the part of local management.

However, without co-ordination the smaller units might "get out of hand", being without adequate control and failing to follow the policies and directives issued by top management. Consequently , Sloan stresses that the managers of these decentralised, operational units must make sure that their methods and results are consistent with the corporation's general policies. They also must be subject to close scrutiny and evaluation by top management with regards to their performance and products. Further, any moves to deviate from the central policy and evaluative guidelines must, indeed, be given the 'all clear' by the central body.

Basically, Sloan's management strategy employed a model of organisational relationships which emphasised centralised control of decentralised operations or, put in another way, co-ordinated decentralisation. In doing this Sloan separated the Planning Department completely from the point of production whereas Taylor had only removed it from the shop floor. Dale, in an examination of the administrative techniques of Sloan suggests that his philosophy was founded on two premises:

> 1. The responsibility attached to the chief executive of each operation shall in no way be limited. Each such organization headed by its chief executive shall be complete in every necessary function and enabled to exercise its full initiative and logical development. (Decentralization of operations)
> 2. Certain central organization functions are absolutely essential to the logical development and proper coordination of the Corporation's activities. (Centralized staff services to advise the line on specialized phases of the work, and central measurement of results to check the exercise of delegated responsibility).
>
> (Dale, 1956 p.41)

This management strategy while seemingly giving more autonomy to the decentralised units, actually avoided the marked loss of control, loss of authorative communication, and loss of managerial scrutiny which are to be found in large monolithic administrative structures. Moreover, the illusion of individualised units producing numerous diversified products actually masks the strong central control which is being exercised. In Drucker's (1946) terms the totality of the co-ordinated decentralisation concept invoked a "new ordering principle" whereby top management makes the overall policy decisions while also carefully evaluating and measuring the performance of the operating units. In turn, each operating unit is given a particular clientele and market within which it operates and competes, not only with other companies but also with other units in the same company. Such activities are constituted as providing a perfectly rational way of organising the economic activities of the company.

CONSTRUCTING 'THE MARKET'

But Sloan was not only concerned with the reorganisation of car manufacturing, he was also concerned to create a consumer market that would buy the products coming from his decentralised operational units. To this end he applied the precepts of scientific management to the constructing of a popular market for cars. In doing this, he took on the advise of Casson (1911), a follower of Taylor's principles of scientific management, who realised that ' what has worked so well in the acquisition of knowledge and in the production of commodities may work just as well in the distribution of these commodities (1911 p.71). Sloan took up this challenge to apply a disciplined rational approach to the selling of cars. Accordingly, GMC started to make economic studies of the community, examining its potential as consumers in terms of population characteristics,

income, styling preferences, colours etc. The data collected on the community was then broken down onto a neighbourhood basis again to determine the potential consumer base of the constituent parts (see Sloan 1964 Chpt. 16). Thus, as Perrow (1986) clearly indicates, Sloan's innovations were not the creation of a particular environment but, conversely, they were intended to create an environment of constructed consumer wants.

The scientific calculations toward greater efficiencies and effectiveness which Taylor had applied to the production process were now applied to the selling of the goods. It was in following this rational approach to business that Sloan instigated the scientific and systematic gathering, processing and analysis of information which would optimise consumption. Market research and market analysis became important aspects of selling, where the preferences, habits, beliefs and incomes of families suddenly came under close scrutiny. This attempt to orchestrate people into consumers saw Sloan introduce advertising campaigns, new models, new images, styling changes and brand identification in an attempt to package the goods in a way that would prompt people to consume. In this way Sloan sought to shift the ideals of scientific management from the scientific training of the worker to the scientific training of the consumer. A rational scientific approach to marketing was seen as a necessary complement to the scientific, rational organisation of work. 'Science' was employed not only to intensify the consumption of products but also to construct consumer wants and lifestyles, shaping them to corporate needs. Williams notes that 'while a large part of our economic activity is devoted to supplying known needs, a considerable part of it goes to ensuring that we consume what industry finds it convenient to produce...it becomes increasingly obvious that society is not controlling its economic life, but it is in part controlled by it' (in Robins and Webster 1986 p.315). The expansion of the market and consumer capitalism marked a

profound extension of rationalism into the everyday practices of people.

Braverman (1974) suggests that Sloan's attempts to rationally eliminate any uncertainties which the 'market' might hold in the selling of products meant that marketing in fact became dominant. The structure and direction of the production units in a company became subordinate to the styling, packaging and promotion campaigns emanating from the 'scientific' research into the way the purchasing preferences of the consumer were being channeled. In this vein, Braverman notes that ' the planning of product obsolescence, both through styling and the impermanence of construction, is a marketing demand exercised through the engineering division' (Braverman, 1974 p.266). The construction of the consumer through the application of scientific management to the 'market' meant that the internal planning process of the enterprise became subsumed to marketing experts' efforts at social coordination and social planning.

The strategies and influences initiated by Taylor and Sloan may have, in former times, seemed remote from the provision of education. However, the situation has dramatically changed with the 'market', 'market forces' and the 'entrepreneurial school' being part of the educational discourse. Firmly on the future agenda is the prospect that each school will have to advertise, promoting its wares, in the hope of creating a body of consumers wanting to come in through its doors. The moulding and shaping of this future educational agenda has been a preoccupation of groups like the Business Council of Australia which has published a number of papers on the restructuring of Australian education.

THE CO-ORDINATION of DECENTRALISED SCHOOLS

Corporate lobby groups like the Business Council of Australia are strongly pressing that education should mirror the administrative changes taking place within the business world. Changes which, indeed, closely parallel the administrative structures originally advocated by Sloan. In order that the education system can adequately respond to the demands and needs of the business sector, the Business Council has asserted that the management structure of education should be set within clearly laid out nationally defined objectives and within a rigorous, nationally determined, system of 'accountability' for teacher and student performance. However, in other respects, in harmony with Sloan's philosophy of co-ordinated decentralisation, the operational units of the education system should decentralise. The Business Council (Loton,1991) has forcefully demanded that, within the strictly enforced parameters outlined above, by the Year 2000, all school systems within Australia should be operating with decentralised managing structures with schools established as self-managing units responsible for many of the tasks formerly held at the centre.

Loton (1991), the President of the Business Council of Australia, has outlined the thinking behind this advocacy. He has asserted that the management lessons of business need to be applied to education systems so that their performance orientation can be improved. He further argues that in the business world there has been a rejection of the large, monolithic corporation where there has been a loss of control as less efficient components are able to hide or obscure their performance within the complexity of the large body. Accordingly, Loton (1991) argues that in Australia the large corporations have responded to increasing competitive pressure by pushing decisions away from the centre. This enhances

responsiveness to the constantly changing demands of the market-place and speeds up reaction time to those changes. Following the co-ordinated decentralisation principle what this means is that responsibility for meeting agreed performance targets is pushed down the line and vested in divisions and individual operating centres. These centres must then be given the requisite authority to meet the targets and policy goals set be the central organisation. But, in language almost mirroring the approach of General Motors, the Business Council has proclaimed that 'In no way does this result in operating centres having licence to do as they please. Thorough reporting procedures ensure this does not occur' (Loton, 1991, p.15).

Thus while the central education offices at both State and Federal level will arbitrarily, with the help of powerful interest groups, set goals, targets, instruments of surveillance and the extent of resource and financial help, the self-managing school will be left to sort out the problems. In this way, the economic and fiscal crises facing business and governments will have been effectively displaced down to the local school context (see Watkins 1993). With the demise of most of the middle management in education, the regional advisers and consultants, for instance, Norman (1992) suggests that also gone will be the organisational networks and memories which provide continual support to teachers. He powerfully argues that the glib distinctions and tidy little boxes that Corporate Executives bundle into self-managed schools are recipes for inflexible irrelevance. As for the instruments of surveillance and measurement of 'standards' so dear to the Business Council, Norman (1992) bitingly perceives that they stay with most of the troubles of Thatcherism in the United Kingdom, while costing large amounts of money for any, at best highly dubious, effect. However, the production of education, as part of the resurgence of managerialism, has to be set in the context of consumption, for in the end any product has to marketed in a way which leads to its consumption. Consequently it is the BCA's consideration of

marketing, the market and consumption which will be examined next.

MARKETS and EDUCATIONAL CONSUMPTION

But the Business Council does not merely advocate the organisation of schools on a coordinated decentralised basis. In another paper (BCA 1991) it presses for the intrusion of market forces into the regulation of schools. In doing this, the BCA refers extensively to the recent publication of Chubb and Moe, Politics, Markets and America's Schools (1990), asserting that the work of Chubb and Moe has helped it to disentangle problems of how to create the circumstances which will promote a school's efficiency and effectiveness. The paper sets out to endorse such findings from Chubb and Moe that, for instance, to be more effective schools should be free from external administrative and personnel restraint. Moreover, the trend towards more democratic control of schools, such as we have seen in Victoria, should be reversed, because it denies principals room to exercise their authority and the flexibility often needed to operate a school successfully. Indeed, following Chubb and Moe, the BCA seems hostile to the presence of unions in schools. They claim that the existing industrial relations structures and agreements should be dismantled to be replaced by enterprise bargaining at the school level. In this way, the capacity would be provided for school management to exercise necessary management prerogatives while also permitting management to adequately reward 'superior' performance. Whether or not these strategies succeeded would then be judged on the ability of the school to successfully market itself and find a substantial consumer base. The BCA explains, following Chubb and Moe, that 'the critical measure here would be the trends in enrolment - a market share concept' (1991, p.16). That such New Right proposals may be attempted to be

implemented have been given credence by statements from the conservative Liberal opposition in Victoria. For instance, the shadow Treasurer Stockdale has proclaimed in Parliament that:

> If a school ceases to attract students, if its enrolments start to decline because it is not delivering what the community wants, that will be reflected in lower funding. As the decline in funding approaches the critical mass, the school council will have to respond to deliver what the community wants, to recapture the confidence of its local community and get students back into the school in order to attract funding and to ensure the continued viability of the school.
>
> (FTUV News, June 1992,p.1)

Schools then would be required to go out and market themselves thereby creating a market, constructing consumers and ensuring that they continue to be funded. On the surface then, to the marketing experts there would seem to be little difference between creating the brand image of a car or that of an educational institution. Before examining the problems that such parallels might engender it would be wise to set out the arguments of Chubb and Moe that the Business Council of Australia finds so appealing.

Chubb and Moe (1990) argue that, putting aside the imponderables of student ability and family resources, the only area for policy change leading to better academic performance involves more effective school organisation. In this organisation there would be' clear goals,...(an) ambitious academic program, strong educational leadership, and high levels of teacher professionalism' (1990 p.23). As such characteristics are claimed to be found in private and parochial schools rather than state schools Chubb and Moe argue that the problems of education

can be remedied by requiring all schools to copy private and parochial schools. Through such a requirement, the 'democratic' control of state schools would be supplanted by control through the 'market'. In this way, the authors assert that effective schools can be created by substituting the market for democratically arrived at administrative forms. The market process would be facilitated through the giving of a 'scholarship' to each child enrolled in a school. In turn, choice on the part of parents and schools would decide to which school children went. Parents could choose to go to any school in the state, while schools could select students from any criteria apart from race (1990 p.219). It is through this process, the authors argue, that market forces will encourage a more effective school organisation which in turn will promote greater student achievement. However, before critically examining this assertion it is appropriate to locate the educational market within the proposed organisational context.

CENTRAL CORPORATE CO-ORDINATION

In light of the preceding argument the Business Council of Australia suggests that the most effective organisation for schools would be that adopted by most companies in recent times. In particular, they suggest the model by which Sloan restructured General Motors. The BCA (1991) points out that most corporations have substantially decentralised their operations over the last decade. However, while the authority and responsibility of the operating units have expanded, the operational managers are still accountable to head office for their performance. Their operational units are assessed and evaluated on the 'explicit performance targets (which) are applied to their management'(1991 p.12).

The attempts by such bodies as the BCA to restructure public institutions, such as schools, along corporate

management lines at both the state and national levels have been addressed by Considine in a recent paper (1990). He suggests that this is a response to the ruptures and tensions which are now manifest throughout the English speaking world. A turbulent environment has come about through continuing economic crises, the restructuring of the labour market, the strength of sectional mass movements and persistent ideological attacks on the public sector. Considine argues that corporate management is essentially " a framework designed to ' circle the wagons' and ration supplies" (1990, p.177). The major concern is to bring greater discipline and control to the systems through limiting goals, focussing on what are perceived as key programs, and reducing waste through tying work to achieve narrowly prescribed outputs. Considine concludes that the result is ' increased central control and greater homogeneity' (1990, p.177). The essential essence of the strategy is to obtain more from public sector workers at less cost.

Important in the more specific move to bring greater control and accountability for performance to the education 'industry' has been the Australian Education Council (AEC) which is comprised of the Ministers for Education of the Commonwealth and the states. While initially relatively insignificant, the AEC has recently gained great power as the Commonwealth government has sought to gear the curriculum nationally to the economic and social restructuring it is attempting to implement. The importance the AEC sees for itself in this agenda is set out in the report Common and Agreed Goals for Schooling in Australia (1991). For instance, some of its main activities entail establishing national goals for schooling, initiating a National Project on the quality of schooling, mapping out the national issues an Australia-wide curricula should be addressing and setting up a new agency, the Curriculum Corporation, to facilitate this process. Peppered throughout the report, however, are references to corporate plans, concerns to foster greater efficiency and effectiveness

and linking education more tightly to the needs of industry. This occurs even though it has been convincingly shown that notions such as efficiency have been socially constructed (Fligstein, 1990) so that, over time, efficiency has taken on a range of meanings reflecting the ability, and ultimately the power, of dominant groups to shape the definition of efficiency. Fligstein (1990) points out that modern corporations have only become increasingly efficient because at each phase of their development efficiency has been redefined. These insights are important not only because they cast new light on notions like efficiency but because they can give a wider understanding of how the curriculum and the management of education is being redefined in Australia. Accordingly, Lingard (1990) argues that the emergence of the AEC as a major policy player, with its promotion of economic rationality, human capital theory and a national approach , within a more tightly managed framework, sits firmly within the structure of corporate federalism. But he points out that the dominance of the managerialist and economic agendas have marginalised and indeed overwhelmed other approaches and other areas of policy. Equally important, though, is the point that the growing power of the AEC signifies a major shift in who decides how education is administered in Australia, away from educationalists and toward politicians and the business community. Indeed, the latter's strength can be seen in 1991 with Finn of IBM heading The Committee of Review of Post-Compulsory Education and Laver of BHP being appointed to chair the National Board of Employment and Training.

In Britain, a similar situation seems to have arisen. Ball (1990) in exploring the implications of the Education Reform Act of 1988 not only relates the changes to the Austrian economic rationalist Hayeck but also shows that schools in Britain are now to be considered as decentralised businesses. Schools are to be run as a business with the parent as the consumer and the pupils in effect the products. However Ball points out that

overarching these competing educational firms is a fixed National Curriculum indicating that perhaps the schools will be run as a system of franchises (1990 p.11). Hartley (1990) has similarly noted that, in the recent reports on education in Britain, economic rationalist theory and the language of Taylor's scientific management predominate. Saturating the documents are words such as ' standardisation, monitoring, itemizing, differentiating, testing for quality control, accountability, machinery, systematic, packaging, skills, tasks, aims and objectives- all set within a highly centralised hierarchy' (1990, p.71). The continual use of words such as these constitute, in the Gramscian sense, a war of manoeuvre. The language of economic rationalism and scientific management take on the appearance of being normal and natural while other approaches are forgotten or considered "impractical" in times of economic crisis. At the forefront in such a "war" are bodies such as the Business Council of Australia who, as I have indicated earlier in this paper, lobby the government to gear education along the lines which they perceive industry is managed. Accordingly, it wants a comprehensive system of performance and accountability measures giving "valid" and "reliable" assessments of student and teacher performance (Loton,1991). While suggesting that school systems should operate with decentralised management systems, the Business Council wants them tied to a national curriculum framework with common tasks and performance standards, especially in the core areas of English, Mathematics and Science. The Business Council concludes that ' this should be accompanied by a rigorous system of accountability for performance targets based upon a clear set of educational objectives for the systems themselves and for the nation' (Loton 1991,p.15). This quite overt instrumentalism is concerned to foster a new flexible but highly competitive individualism which is able to respond to the rapid fluctuations being generated in both the production and consumption spheres of the economy (see Watkins 1991). Schools by themselves can no longer be guaranteed to produce

an appropriate workforce so the curriculum and the management of education must properly be seen as a national concern. Schools, then, will be subject to more centralised control and direction which will be coupled to the closer scrutiny of the way in which teachers work (see Schools Council, 1990).

Yet such strategies are being coupled to the decentralisation of many quite difficult administrative tasks. Within the framework of centralised policy, finance and assessment detailed above, school administrations are being conditioned to a decentralised environment. In such an environment, school administrators not only individually compete with other schools for 'consumers' but they promote individual competition amongst their staffs as teachers compete for a slice of the school's bulk funding. The trenchant arguments mounted by the corporate world and their representatives like the BCA against the regulated strictures of the educational system would bring on a deregulated structure at the level of operations. In this, schools would be thrown onto a marketplace where individuals scramble for their competitive advantage. In such a 'survival of the fittest' scenario the more affluent and powerful in society could more easily disavow any financial or political responsibilty for the concept of a 'public' education. Poverty and unemployment within society would be claimed to be the result of people not exercising their choice of education wisely. But while the day to day operations of the schools might be deregulated, the policy, curriculum, appraisal and accountability processes would be firmly held by a central body. It has been argued that such practices are much akin to the traditional principles of management which were espoused by Sloan during his years at General Motors, not only setting each operational unit against each other but also acting to weaken the power, solidarity and influence of workers' unions by isolating them in an environment of competitive individualism. As a consequence, as Ball (1990 p.9) has noted, in assessing the British situation, 'schooling will become a cut-throat business' as

schools go about marketing their services in direct competition with their neighbours.

EDUCATION as a CONSUMER GOOD

In this section of the paper the limitations of treating education as a consumer good within a socially constructed market will be proffered. An important consideration in viewing education in market terms is an examination of the actual product being offered for consumption. In neo-classical economic terms a market operates at its optimum as the number of transactions are frequently repeated so that experience and information coming to the consumer is at its greatest. For instance, the texture of the loaf of bread you buy at the shop may not be to your liking, so next time you try another brand. But unfortunately the taste is too sweet, so another brand is tried and so on and so on. However parents and students, as consumers of education, cannot frequently sample the 'products' on offer in the market of schools without having a detrimental effect on the students' education. Even if a school is chosen to the parents', students' and schools' satisfaction, will the students sample, in turn, the five Year Four teachers so that an informed choice might be made?

Moreover, Levin (1991) argues that we should distinguish between education as both a public and a private good. While parents have a right to decide the values and influences to which their children should be exposed, a democratic society also has a right to ensure that it is satisfactorily reproduced and functions in a democratic manner through the provision of common sets of values and forms of knowledge. Consequently, any society has to be deeply concerned with the enhancement of the social benefits of education. However, it would seem that if education was provided solely on the aggregate of market

choices exercised by parents and schools, the result as a collective benefit would be extremely problematic. Kellner (1990) in arguing from the position of 'the prisoner's dilemma' suggests that in these circumstances the situation exists in which the pursuit of individual self-interest may in fact lead eventually to a worse result for everyone. The unfettered self-interest and choices of the individual impinges on the opportunities of others to acquire a satisfactory education so that the aggregate of individual choices in education does not lead to a position which is favourable to society as a whole. The privileging of the individual accompanied with the denial of the social; the negating of common experiences and the derision directed toward community aspirations has a most pernicious influence over society (Bates 1990). Consequently, as Angus has illustrated, as schools go into the marketing business and even attempt to go 'up market', 'the competitive market orientation is likely to exacerbate social inequality by, *de facto*, fostering racial, ethnic and social class differences, and favouring higher income families' (1992 p.9).

Inequalities would be exacerbated because the range of schools accessible to wealthy consumers would become far greater than that available to the poorer sections of the community. This would occur not only because the wealthy would have a wider source of information and travel options available to them but also because schools would have the right to exercise their choice. Ball (1990) has emphasised the former point, arguing that:

> Those parents with money and time and ability to move their children to schools in the leafy suburbs will do so. Those parents who work long hours, who do not own cars, who do not want their children to undertake long journeys on costly, dwindling public transport will be left with

> the 'choice' of declining schools until they have no 'choice' at all.
> (Ball 1990 pp.9-10)

In addition, on the latter point, private schools would be highly motivated to carefully choose the students who sought to enrol with them. Chubb and Moe clearly state that schools would be 'controlled only by the market...(being) free to organize any way (they) want' (1990 p.190). Private schools owe their competitive position in the market to the brand image they project. For instance, one elite private school in its advertisements on the radio stresses the number of Australian prime ministers and high court judges it has produced. Schools such as this would closely scrutinise prospective students' achievement tests, residential backgrounds, old boy/girl backgrounds, the family's socio-economic status, as well as its social and educational attainments. For if the private school did not do this, opening its doors to all and sundry, including large numbers of the children of the poor and unemployed, its brand image of power, exclusiveness and prestige would quickly evaporate. As a consequence, in the long-term, there would be a decline in the net worth of a place in that school. So that such a situation might be avoided schools will even more sharply arrange themselves according to wealth, class and consumer sophistication in a quest to enhance their brand image and competitiveness in the market.

The rhetoric of the entrepreneurial school, marketing its brands for the benefit of consumer choice, confuses popular. well projected images of schooling with good schooling. Chubb and Moe in particular assert that any form of schooling is acceptable as long as it is popular with parents and students. But the history of marketing suggests that there are problems associated with such a position. One has only to recollect Ralph Nader's crusade against Sloan's own company for producing cars which were popular and superbly marketed but which were

unsafe at any speed (Nader 1972). Similarly, with the videos Beta and VHS. The latter, although technical inferior, overwhelmed its opposition through popularity achieved through a highly skillful advertising campaign. Lastly, in these examples of confusing well marketed, popular products with good products we can take the example of the gas and electric refrigerator. The gas refrigerators, compared to the electric, were virtually silent; they had fewer moving parts; they were easy to maintain and the operating costs of gas were much lower than electricity. But regardless of the obvious advantages of gas, the electric refrigerator triumphed. This occurred because General Electric poured huge sums of money into promoting its product. Outlandish advertising and marketing campaigns combined with more subtle public relations techniques associating the brand image with Hollywood stars were employed to create consumer demand (Cowan 1985). Moreover, we are still paying for the externalities generated by the victory of the electrical compression of refrigerants in the form of the hole in the ozone layer, confounding the rationalist, neo-classical ideology that economic transactions between two parties have no impact on anyone else (Kellner 1990). Similarly, a well marketed, popular educational package may stimulate great consumer demand but it may, in the long run be detrimental to both the consumer and the community.

RATIONAL MODELS IN THE ADMINISTRATION OF EDUCATION

The attempts to infuse education with the principles of rationalism derived from economic rationalism has a number of difficulties. Habermas (1990) has depicted these problems as coming about through a 'mutilated rationality'. Such instrumental rationality, through the institutionalised production of knowledge, generates a rationality that shapes everyday practice leading to a rationalised lifeworld. Through

this process individualism is institutionalised so that the self replaces society thereby endangering social integration (see Habermas 1984 p.341).

At the forefront of the move to decentralise is the belief that the smaller operational units will exhibit a more aggressive approach within their market through a clearer identification of their own particular self-interest. However, Turner (1991) points out that the research literature in fact does not support such a sophisticated view of this rationality. Rather the evidence seems to indicate that people frequently explore the various alternatives which are available to them or which their imagination can conjure up. Indeed people often take into account the value implications of a proposed action and/or the counterproductive consequences such actions, as for instance the use of aerosol spray products, might generate. Thus a community, like the western suburbs of Melbourne, which prides itself in its solidarity and sense of identification may be deeply troubled by the action of schools competing against each other for clients in a constricted market.

A rational approach infers that people will seek to evaluate the costs and benefits accruing from a particular organisational structure and then, in self-interest, seek the optimal form of administration which maximises the benefits or goals. But the way people interpret goals which have been passed down to them is a subjective matter. While the top managers in the centralised, co-ordinating body of the organisational structure may have a clear idea of the desired goals and outcomes , those goals may not be as clear in the decentralised units. The people in the decentralised situation may conceptualise the goals in a different manner or in a way which is specific to their immediate context. Similarly, in an environment where the immediate politics and beliefs are very removed from the centralised power base the goals may be reinterpreted or even misrepresented so that they are in accord with the political and

belief structures of the local environment. Thus, while it may seem perfectly rational for schools to maximise their student numbers, for many schools such a goal may be completely irrational. This may occur because rational views of administration cannot allow for the particular ideologies that people carry with them. Thus a school may not want large numbers coming into it because it believes that schools should be nurturing and caring and this can only be achieved with small numbers.

What is frequently sanctioned by business leaders, politicians and others as a perfectly rational way to organise an educational system neglects to acknowledge that people do not behave in similar fashion. Indeed, the advocacy of such models as that formulated by Sloan ignores the fact that people frequently act irrationally. Even though later, in retrospect, they may transform and explain their actions in rational terms. Thus the underpinning assumption behind rational approaches of maximising self-interest casts aside such issues as the range of meanings, values and beliefs of people; their emotions, attitudes and identities and in fact the understanding that very often people behave arationally if not irrationally.

CONCLUSION

This paper has argued that to fully understand the organisational changes and the stress on consumption and marketing now being pushed into educational systems an historical perspective has to be provided. Coordinated decentralisation and the construction of consumers through marketing was an extension of the rationalism of scientific management into the corporate organisation and the creation of wants by the customer/consumer. Whereas Taylor had removed

the conceptual part of work from the workfloor and into the planning room, Sloan removed it from the point of production all together. The result was that planning and policy were formulated at a central corporate headquarters to be fed out to the decentralised operational units. These operational units would then compete against each other and the other corporations, in competitive isolation for a slice of the market. But Sloan was also important for bringing a scientific, rational approach to marketing. In particular, extensive research and studies of the population were carried out to see how people could be persuaded to buy the goods being produced. Images, styles and wants were created using the sophisticated information techniques of new companies like IBM. In this way control and scientific management extended beyond the corporation, being projected through advertising into the very homes of all potential customers.

The managerial philosophy of Sloan has been taken up by the Business Council of Australia who have invoked the claims of Chubb and Moe to give credence to their position. However education is a public good which the construction of a consumer market would ultimately destroy. Institutions concerned to maintain and extend their market share often resort to morally suspect strategies of misleading, manipulating and coercing people to get them to become consumers. Even at this early stage in the transformation of education into a consumer good, we see principals of state schools openly touting for business, erecting advertising hoardings on their front fences and generally sliding over any problems, in the competitive quest for prestige, status and consumers. Similarly, schools would have to compete with each other for the dwindling supply of resources which had been previously available from the state. The ensuing stress on image and 'brand' status would impinge on the packaging of the education product, assuming much greater significance than any needs of the general school population. Comparable to Sloan's innovations in the marketing of cars, the

selling of the educational good becomes preeminent in its formulation. But in a market context the ones who are seduced by the gloss and images are frequently the least likely to be able to afford it, exacerbating social inequalities as families go into long term debt to acquire the most sought after educational brand. Just as Sloan individualised the transport system by creating a consumer want for a personal means of transport, so too, the creation of an educational consumer market refocuses education in terms of a consumer want. The commodification of education into a good which can be bought or sold just like a bag of potatoes fosters a sense of isolation with neither the seller nor the buyer being particularly concerned as to the social condition of their fellow human being. In this process, the marketing of education privileges the Self over the Community. The construction of education consumers reinforces the capitalist centrepoint that individual consumption is of higher value than the commonweal's social good.

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